

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name MOORE PUBLIC LIBRARY	County SANILAC
Audit Date 12/31/04	Opinion Date 9/1/05	Date Accountant Report Submitted to State: 9/2/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

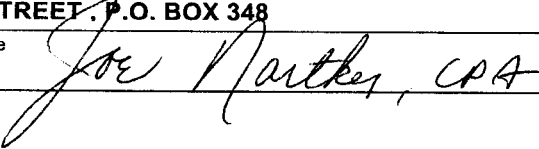
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) BRINING & NARTKER, P.C.			
Street Address 47 AUSTIN STREET, P.O. BOX 348		City SANDUSKY	State MI
Accountant Signature 		ZIP 48471	Date 9/2/05

**MOORE PUBLIC LIBRARY
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BRINING & NARTKER, P.C.

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Moore Public Library
Lexington, Michigan

Members of the Board:

We have audited the accompanying basic financial statements of Moore Public Library, Lexington, Michigan, as of and for the year ended December 31, 2004, as listed in the table of contents. These basic financial statements are the responsibility of Moore Public Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 2, management has not presented the management discussion and analysis information for the Moore Public Library. Accounting principles generally accepted in the United States of America require the presentation of the management discussion and analysis information.

In our opinion, except for the effects on the financial statements of the omissions described in the preceding paragraph, which results in an incomplete presentation, the basic financial statements referred to above present fairly, in all material respects, the financial position of Moore Public Library, Lexington, Michigan, as of December 31, 2004, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the Library has partially implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of January 1, 2004.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The budgetary comparison information, presented on page 17-18, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Brining & Nartker, P.C.

BRINING & NARTKER, P.C
CERTIFIED PUBLIC ACCOUNTANTS

September 1, 2005

BASIC FINANCIAL STATEMENTS

MOORE PUBLIC LIBRARY
BALANCE SHEET/STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	<u>General Fund, Modified Accrual Basis</u>	<u>Adjustments (Note 2)</u>	<u>Statement of Net Assets- Full Accrual</u>
ASSETS			
Cash and cash equivalents (Note 1 and 4)	\$ 57,448	\$ -	\$ 57,448
Taxes receivable	-	33,253	33,253
Capital assets, net (Note 6)	-	15,275	15,275
Total Assets	<u>\$ 57,448</u>	<u>\$ 48,528</u>	<u>105,976</u>
LIABILITIES			
Payroll withholdings	\$ 1,663	\$ -	1,663
Total Liabilities	<u>1,663</u>	<u>NONE</u>	<u>1,663</u>
FUND BALANCE/NET ASSETS			
Fund balance:			
Unreserved	55,785	(55,785)	-
Total Fund Balances	<u>55,785</u>	<u>(55,785)</u>	<u>NONE</u>
Total Liabilities and Fund Balances	<u>\$ 57,448</u>	<u>\$ (55,785)</u>	<u>1,663</u>
Net Assets:			
Invested in capital assets		\$ 15,275	15,275
Unrestricted		89,038	89,038
Total Net Assets		<u>\$ 104,313</u>	<u>\$ 104,313</u>

The accompanying notes to financial statements are an integral part of this statement.

**MOORE PUBLIC LIBRARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004**

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Assets</u>
		<u>Charges</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities:				
Recreation and cultural	<u>\$ 66,797</u>	<u>\$ 761</u>	<u>\$ 7,539</u>	<u>\$ (58,497)</u>
General Revenues:				
Property taxes				33,253
State aid				4,261
Penal fines				20,983
Investment earnings				548
Miscellaneous				1,890
Total general revenues				<u>60,935</u>
Change in net assets				2,438
Net assets - beginning of year (Note 2)				101,875
Net assets - end of year				<u>\$ 104,313</u>

The accompanying notes to financial statements are an integral part of this statement.

**MOORE PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

REVENUES:

Taxes - County	\$ 30,844
Penal fines	20,983
State aid	4,261
Interest	548
Legacies & bequests	344
Book sales	944
Overdue fines	635
Programs fees	430
Contributions - air	595
Periodicals	109
Miscellaneous	392
Transportation	16
Video rental	126
Grants	6,600
TOTAL REVENUES	<u>66,827</u>

EXPENDITURES:

Air conditioner	349
Books and subscriptions	6,414
Contracted services	215
District Library establishment	3,242
Dues	2,365
Education and transportation	161
Insurance	3,435
Internet connection	4,729
Miscellaneous	89
Professional fees	1,545
Program expense	268
Repairs	1,918
Supplies	1,228

(Continued)

**MOORE PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

EXPENDITURES: (Continued)

Tax tribunal	\$ 4
Technical support	450
Utilities	5,300
Wages and payroll taxes	29,586
TOTAL EXPENDITURES	<u>61,298</u>
EXCESS OF REVENUES OVER EXPENDITURES	5,529
FUND BALANCE - BEGINNING OF YEAR	50,256
FUND BALANCE - END OF YEAR	<u><u>\$ 55,785</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

The Moore Public Library is located on the east edge of Sanilac County, Michigan at 7239 Huron Street, Lexington, Michigan. The original library known as the Charles H. Moore Library opened in the present building on January 17, 1903. The Library provides library services to residents of the Village of Lexington, and portions of Worth and Lexington Townships. The Library is a separate legal entity governed by a six member elected board. Effective January 1, 2004 the district library changed its name from Lexington Moore Public Library to Moore Public Library. The district has a calendar year end of December 31st.

The Board is empowered to propose and levy upon approval of the electors a tax for support of the District Library. It may also borrow money and issue bonds pursuant to the District Library Financing Act 265 of 1988. The District Library indemnifies and holds harmless the participating municipalities from all claims and liabilities.

The Moore Public Library became a district library on January 1, 2004. By law, its funding must be established through a local millage request. On June 7, 2004 voters turned down a millage request for operation. On February 22, 2005, voters turned down a second millage request for 6/10 of a mill for 10 years for operation. The millage was expected to provide revenues of approximately \$104,000 in the first year of the levy.

The accounting policies of Moore Public Library conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Moore Public Library.

B. Basis of Presentation

The Library's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Library as a whole. These statements include the financial activities of the primary government.

(Continued)

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES: (Continued)**

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of net assets presents the financial condition of the governmental activities of the Library at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Library.

C. Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The statements distinguish between those activities of the Library that are governmental and those that are considered business-type activities. The Library does not currently have any business-type activities.

Governmental Fund

Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the governmental fund according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

(Continued)

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus.

All assets and all liabilities associated with the operation of the Library are included on the statement of net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenue, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financial sources) and uses (i.e., expenditures and other financial uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Library, available means expected to be received within sixty days after year end.

(Continued)

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. Basis of Accounting (Continued)

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Library must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the Library's revenue sources are considered both measurable and available at year end.

Expenses/Expenditures:

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, is not recognized in governmental funds.

F. Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(Continued)

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

G. Budgets and Budgetary Accounting

The Library normally follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Library director submits to the Board a proposed operating budget which includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain comments.
3. Prior to January 1, the budget is legally enacted through board approval.

All budget appropriations lapse at year end. Budgetary amounts reported herein are as originally adopted, or as amended by the Library Board.

Budgets shown in the financial statements are adopted on a basis consistent with GAAP, and consist only of those amounts contained in the formal budget approved and amended by the Library Board.

H. Cash and Cash Equivalents

For presentation on the financial statements, investments in cash management pools and investments with an original maturity of three months or less at the time they are purchased by the Library are considered to be cash equivalents.

I. Investments

Investments with an initial maturity of more than three months are reported as investments.

J. Capital Assets

General capital assets are those assets that result from expenditures in the governmental fund. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

(Continued)

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

J. Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) using a \$1,000 capitalization threshold and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

<u>Description</u>	<u>Governmental Activities</u> <u>Estimated Lives</u>
Equipment	5 - 10 years

NOTE 2 – PRIOR PERIOD ADJUSTMENT/CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY:

For 2004, the Library has implemented, with exceptions as noted below, Governmental Accounting Standards Board (GASB) Statement No. 33 "Accounting and Financing Reporting for Non-Exchange Transactions," as amended by Statement No. 36 "Recipient Reporting for Certain Shared Non-Exchange Revenue," which establishes standards for recording non-exchange transactions on the modified accrual and accrual basis of accounting; No. 34, "Basic Financial Statement-and Management's Discussion and Analysis-for State and Local Governments"; GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus"; GASB Statement No. 38, "Certain Financial Statement Note Disclosures"; and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements".

GASB Statement No. 34 creates new basic financial statements for reporting on the Library's financial activities. The financial statements include government-wide financial statements prepared on the accrual basis of accounting. The government-wide financial statements split the Library's programs between governmental activities and business type activities. The Library does not currently have any business-type activities.

GASB Statement No. 37 makes certain clarifications regarding escheat property and modifies several provisions of GASB Statement No. 34, including the Management's Discussion and Analysis. GASB Statement No. 38 modifies, establishes, and rescinds certain financial statement disclosure requirements.

(Continued)

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

**NOTE 2 – PRIOR PERIOD ADJUSTMENT/CHANGE IN ACCOUNTING PRINCIPLES AND
RESTATEMENT OF PRIOR YEAR FUND EQUITY: (Continued)**

The Library did not adopt GASB 34 and GASB 37 in its entirety, as permitted by the Local Audit and Finance Division of the Treasury Department of the State of Michigan. The Library believes that the omissions of the Management's Discussion and Analysis information and certain permitted note disclosures were not material to the statements as a whole.

As a result of implementing these pronouncements for the year ended December 31, 2004 the following restatements were made to beginning fund balance (as restated) to net assets of the government-wide financial statements.

Fund Balance - January 1, 2004 (restated)	\$ 50,257
Capital assets - net	20,774
Property tax receivable	30,844
Net Assets - January 1, 2004	<u>\$ 101,875</u>

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL
STATEMENTS:**

The General Fund's fund balance and the net change in fund balance differ from net assets and change in net assets reported in the statement of net assets and statement of activities. This difference results primarily from the long-term economic focus of the statement of net assets and statement of activities versus the economic focus of the statement of the General Fund balance sheet and statement of revenue, expenditures, and changes in fund balance. The following is a reconciliation of fund balance to net assets and the net change in fund balance to the net change in net assets:

Total Fund Balance - Modified Accrual Basis	\$ 55,785
Amounts reported for governmental activities in the statement of net assets are different because:	
Property taxes receivable	33,253
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental fund. Capital assets at year end consist of:	
Capital asset cost	\$ 43,234
Capital asset accumulated depreciation	<u>(27,959)</u>
	15,275
Total Net Assets - Full Accrual Basis	<u>\$ 104,313</u>

(Continued)

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS: (Continued)

Net Change in Fund Balances - Modified Accrual Basis	\$ 5,529
Total change in net assets reported for governmental activities in the statement of activities is difference because:	
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Current year depreciation expense	(5,499)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Property taxes	2,408
Change in Net Assets of Governmental Activities - Full Accrual Basis	<u>\$ 2,438</u>

NOTE 4 - DEPOSITS AND INVESTMENTS:

Deposits - Michigan Public Acts authorize the units of local government in Michigan to deposit in the accounts of federally insured banks, insured credit unions, and savings and loan associations. Deposits of the Moore Public Library are at federally insured banks located in the State of Michigan.

Investments - As authorized by the District Library board's investment policy, the Library is limited to investments authorized by PA 20 of 1943, as amended, and may invest in certificate of deposits and savings accounts.

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indentures, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws do not allow collateralization of governmental deposits.

(Continued)

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 4 - DEPOSITS AND INVESTMENTS: (Continued)

The District Library's deposits are in accordance with statutory authority. The balance sheet caption "Cash and cash equivalents" included imprest cash of \$35.

The GASB Statement No. 3 risk disclosure for the General Fund is as follows:

Nonrisk Categorized

<u>DESCRIPTION</u>	<u>GENERAL UNRESTRICTED ASSETS</u>
Petty Cash	\$ 35
Checking Account	100
Savings Account	<u>57,313</u>
Total	<u><u>\$ 57,448</u></u>

At year-end, the carrying amount of the Library's deposits was \$57,413 and the bank balance was \$57,662. All funds were covered by federal depository insurance.

**MOORE PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

NOTE 5 – CAPITAL ASSETS:

Capital asset activity of the primary government for the current year was as follows:

	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance December 31, 2004</u>
Capital Assets Being Depreciated				
Equipment	\$ 43,234	\$ -	\$ -	\$ 43,234
Total Capital Assets Being Depreciated	<u>43,234</u>	<u>None</u>	<u>None</u>	<u>43,234</u>
Less Accumulated Depreciation for:				
Equipment	22,460	5,499	-	27,959
Total For Accumulated Depreciation	<u>22,460</u>	<u>5,499</u>	<u>None</u>	<u>27,959</u>
Net Capital Assets Being Depreciated	<u>20,774</u>	<u>5,499</u>	<u>None</u>	<u>15,275</u>
Governmental Activities Total Capital Assets - Net of Depreciation	<u><u>\$ 20,774</u></u>	<u><u>\$ 5,499</u></u>	<u><u>\$ None</u></u>	<u><u>\$ 15,275</u></u>

NOTE 6 - RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Library continues to carry commercial insurance for risks of loss. The district does not provide employee health or life insurance coverage. The district does provide workers compensation insurance coverage.

NOTE 7 – SUBSEQUENT EVENTS:

Millage Request

The Moore Public Library became a district library on January 1, 2004. By law, its funding must be established through a local millage request. On June 7, 2004 voters turned down a millage request for operation. On February 22, 2005, voters turned down a second millage request for 6/10 of a mill for 10 years for operation. The millage was expected to provide revenues of approximately \$104,000 in the first year of the levy.

REQUIRED SUPPLEMENTARY INFORMATION

**MOORE PUBLIC LIBRARY
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes - County	\$ 30,000	\$ 30,000	\$ 30,844	\$ 844
Penal fines	21,171	21,171	20,983	(188)
State aid	4,053	4,053	4,261	208
Interest	700	700	548	(152)
Legacies & bequests	900	900	344	(556)
Book sales	1,200	1,200	944	(256)
Overdue fines	430	430	635	205
Programs fees	428	428	430	2
Contributions - air	-	596	595	(1)
Periodicals	126	126	109	(17)
Miscellaneous	650	650	392	(258)
History books	25	25	-	(25)
Transportation	200	200	16	(184)
Video rental	150	150	126	(24)
Grants	-	6,600	6,600	-
TOTAL REVENUES	<u>60,033</u>	<u>67,229</u>	<u>66,827</u>	<u>(402)</u>
EXPENDITURES:				
Air conditioner	-	596	349	247
Books and subscriptions	7,344	6,650	6,414	236
Contracted services	150	240	215	25
District Library establishment	698	3,242	3,242	-
Dues	2,442	2,267	2,365	(98)
Education and transportation	500	250	161	89
Insurance	1,821	3,435	3,435	-
Internet connection	2,263	9,863	4,729	5,134
Miscellaneous	150	89	89	-
Professional fees	1,500	1,500	1,545	(45)
Program expense	500	300	268	32
Repairs	1,000	2,200	1,918	282
Supplies	1,500	1,350	1,228	122
Tax tribunal	420	420	4	416
Technical support	500	500	450	50

(Continued)

**MOORE PUBLIC LIBRARY
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2004
(CONTINUED)**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
EXPENDITURES: (Continued)				
Utilities	\$ 5,600	\$ 5,450	\$ 5,300	\$ 150
Wages and payroll taxes	33,400	28,832	29,586	(754)
Contingency	245	45	-	45
TOTAL EXPENDITURES	<u>60,033</u>	<u>67,229</u>	<u>61,298</u>	<u>5,931</u>
 Excess of Revenues Over (Under) Expenditures	 <u>NONE</u>	 <u>NONE</u>	 <u>5,529</u>	 <u>5,529</u>
 Fund Balance, January 1	 50,256	 50,256	 50,256	 -
 Fund Balance, December 31	 <u>\$ 50,256</u>	 <u>\$ 50,256</u>	 <u>\$ 55,785</u>	 <u>\$ 5,529</u>